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November 12, 1998

Brent Sumsion Valley Asphalt, Inc. 7434 South Delmonte Road Spanish Fork, UT 84660

Re:

Notice of Tentative Approval to Commence Large Mining Operations, Valley Asphalt, Inc.,

Lehi Quarry, M/049/031, Utah County, Utah

Dear Mr. Sumsion:

The Division has completed a review of your August 14, 1998 response to the Division's April 21, 1998 deficiency review letter. Your original large mining permit application was received June 10, 1997. We find the latest information sufficient to satisfy the outstanding technical deficiencies. The Division hereby grants tentative approval of the Lehi Quarry large mining permit application.

We will now publish a formal notice of tentative approval in the Salt Lake, Provo and American Fork newspapers which will begin a 30-day public comment period. If no substantive comments are received during the comment period, the Division will then be prepared to issue final approval of this project following receipt of your reclamation surety. The attached review comments are forwarded to provide clarification to our review of your latest deficiency response. If you disagree with our latest assessment and findings please notify us in writing before the public comment period ends.

If you have any other questions in this regard please contact either me, Tony Gallegos, or Lynn Kunzler, of the Minerals Staff. Thank you for your continued cooperation and patience in completing this permitting action.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

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Enclosures: Review Comments, Revised Surety Estimate, Form MR-RC cc: Arjun Ram, Western Aggregates Holding Corp. w/ewel.

John Blake, SITLA w/enel

Buck Rose, Utah County

Mary Ann Wright, DOGM

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LARGE MINE TECHNICAL REVIEW COMMENTS VALLEY ASPHALT, INC. LEHI QUARRY M/049/031

November 6, 1998

R647-4-112 - Variance

Variances were requested from Rules R647-4-111.12 Topsoil Redistribution, and R647-4-111.13 Revegetation, for the final benches and highwall areas. This amounts to 16.5 percent of the total disturbed acreage. These areas will be steep (approximately 45°) and solid rock. Benches will be narrow (20 feet wide) which does not allow for safe operation of equipment for spreading topsoil or seeding. For these reasons, the Division hereby approves the requested variances for the final highwall and bench areas.

R647-4-113 - Surety

On November 4, 1998, the line items in the proposed reclamation surety estimate were discussed over the telephone with Arjun Ram. As a result of that discussion several line items in the surety estimate were revised by the Division. The significant changes and justification for these changes are described below. A copy of the Division's revised surety estimate is attached. The current amount of reclamation surety proposed by the Division is \$431,600. This figure includes escalation to year 2003 dollars. (AAG)

Line Item Changes:

- (A) A line item for the demolition of concrete foundations was added and the line item for demolition of facilities was deleted. According to Mr. Ram, the majority of structures and facilities will be skid or wheel mounted. An figure of 10,000 square feet of reinforced concrete for the asphalt storage silos was estimated by Mr. Ram.
- (B) The response did not include a detailed description of the plant structures and facilities. Mr. Ram indicated the plant structures and facilities would have a residual value which would exceed the costs of demolition or salvage. For this reason, a line item for loading of equipment and facilities onto trucks for removal was added and the line item for debris removal was deleted. The number of trucking trips was estimated as crushers & screens (2 trips), conveyors & stackers (3 trips), loaders & dozers (2 trips), asphalt plant drum drier (1 trip), asphalt storage bins (2 trips), fuel storage tanks (2 trips), asphalt loadout silo (1 trip).
- Ripping the quarry area was considered impractical since the quarry floor will be in bedrock.
- (D) The linear footage for safety fencing around the highwall sections was estimated from the revised map as: north edge (2,560 ft), west edge (2,140 ft), south edge (0 ft), east edge (1,040 ft). Berms will need to be adjusted to reflect the revised final quarry configuration.
- (E) The linear footage of drainage reconstruction was based on the assumption that two drainage routes may need to be reconstructed across portions of the site.

- (F) The line items for topsoil handling were adjusted to reflect haulage by a scraper and spreading by a dozer. Scraper haulage was selected because of a lower unit cost compared to using a front end loader and truck combination.
- (G) The unit cost for equipment mobilization was reduced due to major city centers located within 50 miles or less of the operation. The number of equipment mobilized was increased to reflect a probable fleet of 1 dozer, 1 front end loader, 1 flatbed highway hauler truck, 1 dump truck, and 2 scrapers.
- (H) The number of days of reclamation supervision was increased to 15 days based on a rough estimate of the site reclamation.

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1	RECLAMATION SURETY ESTIMATE					
2	Valley Asphalt, Inc.					
	Lehi Quarry		last revision	11/06/98		
3			filename: m49-31tg.wb2			
4	M/049/031 Utah Co	•	page "ESTIMATE	"		
5	Prepared by Utah State Division of Oil, Gas & Mining]
6	-This is a revised version of Valley Asphalt's estimate in the August 14, 1998 response					
7	-This estimate is based on the reclamation plan from the response received Aug. 14, 1998					
8	-Most equipment is skid or wheel mounted except for asphalt storage bins with reinforced concrete					
9	-All structures & facilities to be removed or demolished; concrete foundations demolished					
10	-Skid or wheel mounted facilities to be trucked off site					
11	-Top soil from Berm area will be spread & additional topsoil will be trucked in as needed					
12	-A minimum of 6" of topsoil to be spread in the berm area & operations area & then seeded					
13	-A minimum of 12" of topsoil to be spread in the pit bottom area & then seeded]
14	-Paved road entrance to be ripped & a minimum of 6" of topsoil to be spread & then seeded					
15	-Three phases of mining have now been replaced by one phase					
16	-Acreage: berm area 9.7, asphalt crushing & yard 16.0, excavation 95.3, road 0.57, highwall 24.0					
17	-The highwall area (24.0 acres) will not be topsoiled or so				40/40/00	
18	Note: actual unit costs may vary according to site conditions last unit cost update 10/12/98					
19	-Amount of disturbed area which will receive reclamation treatments = 121.6 acre					
20	-Estimated total disturbed area for this mine =	Our matter	l lmita	145.6 a		
21	Activity	Quantity		\$/unit	\$	Note
22	Safety signs, etc. (mtls & installation)		sum	500	500	(1)
23	Demolition of concrete foundations	10,000		6.06	60,600	(2)
24	Equipment removal - loading & trucking Debris & equipment removal - dump fees		trips ton	530 50	6,890	(3)
25 26	Debris removal - loading trucks w/FE loader		hours	170	500 680	(4)
27	Demolition & debris removal - general labor		hours	170	480	(5) (6)
28	Ripping "facilities area"		acre	581	4,648	(7)
29	Installing safety fencing around highwalls	5,740		1.00	5,740	(8)
30	Ripping asphalt access road - dozer		acre	581	349	(7)
31	Surface drainage restoration - undocumented	1,800	LF	0.20	360	(9)
32	Topsoil replacement - dozer spreading	174,942	CY	0.20	34,988	(10)
33	Topsoil replacement - scraper haulage	174,942	CY	1.08	188,937	(11)
34	Fertilizing (100 lb/acre diammonium phosphate)	121.6		90	10,944	(00)
35	Drill seeding (~13 lb/acre)	121.6		220	26,752	(00)
36	General site cleanup & trash removal - yard 50%		acre	50	400	(00)
37	Equipment mobilization		equip	500	3,000	(00)
38	Reclamation Supervision	15	days	363	5,445	(12)
39	10% Contingency		Subtotal		351,213	
40			Subtotal		35,121	
41 42	Escalate for 5 years at 2.24% per yr		Gubiolai		\$386,335 45,252	
42			Total		\$431,587	
44	Rounded	surety amou		<u>-\$</u>	\$431,600	
45	Average cost per disturbed acre =	\$2,964	. K. H.I. J.I. 2000	₩	<u>Ψτυ 1,000</u>	
		¥2,80 4				L

Rounded surety amount in yr 2003-\$ 44 \$431,600 Average cost per disturbed acre = 45 \$2,964

RECLAMATION SURETY ESTIMATE

Valley Asphalt, Inc.

Lehi Quarry M/049/031

filename: m49-31tg.wb2

Utah County

last revision

page "ESTIMATE"

Prepared by Utah State Division of Oil, Gas & Mining

Note

- DOGM lump sum assumed (1)
- Means Heavy Construction Cost Data 1998, 020-75004440, concrete removal, floors, 6" thick, reinforced rods +20% heavy reinforce (2)
- (3)DOGM estimate taken from similar operation - file M/035/012
- Means 1998, 020-612-0100, bldg construction mtls (4)
- (5) Rental Rate Blue Book 4/98, Cat 988B, 7CY, & Means 1998, Crew B-10U
- (6) DOGM assumed wage for unskilled general labor
- Means 1998 & Rental Rate Blue Book 4/98: Cat D10N, U, multi shank rippers, speed 0.5 mph (7)
- DOGM general estimate for field fence, 4 strand barbwire (8)
- (7) Means 1998 & Rental Rate Blue Book 4/98: Cat D10N, U, multi shank rippers, speed 0.5 mph
- Means 1998 & Rental Rate Blue Book 4/98: Cat D10N, U, mtl 2550 lb/CY, 50 ft push, avg vol 1.0CY/LF- assumed (9)
- Means 1998 & Rental Rate Blue Book 4/98: Cat D10N, U, mtl 2550 lb/CY, 50 ft push (10)
- (11)Means 1998 & Rental Rate Blue Book 4/98: Cat 627F P-P, mtl 2550 lb/CY, 2,000 ft haul one-way, grade +/- 4%,
- (00)DOGM general estimate - fertilizing
- (00)DOGM general estimate - drill seeding
- DOGM general estimate site cleanup & trash removal (00)
- (00)DOGM general estimate - equipment mobilization 50 miles or less
- (12)Means 1998, 010-036-0180, project manager, minimum \$1,815/wk